

VZCZCXYZ0006  
PP RUEHWEB

DE RUEHDO #0781 3100752  
ZNR UUUUU ZZH  
P 050752Z NOV 08  
FM AMEMBASSY DOHA  
TO RUEHC/SECSTATE WASHDC PRIORITY 8383  
RUEATRS/DEPT OF TREASURY WASHINGTON DC PRIORITY  
INFO RUCPDO/DEPT OF COMMERCE WASHINGTON DC PRIORITY

UNCLAS DOHA 000781

SENSITIVE  
SIPDIS

TREASURY FOR D/S KIMMITT, A/S SOLOMON

E.O. 12958: N/A  
TAGS: [EFIN](#) [BTIO](#) [ECIN](#) [ECON](#) [EINV](#) [QA](#)  
SUBJECT: QATAR'S INTEREST IN BILATERAL TAX TREATY

REF: A. DOHA 151  
[1](#)B. DOHA 590

[1](#)1. (SBU) During a meeting with Finance and Economy Minister Yousef Hussain Kamal (septel), Deputy Treasury Secretary Robert Kimmitt inquired about a recent diplomatic note from the Qatari embassy in Washington to the Treasury Department indicating Qatar's interest in negotiating a bilateral tax treaty. Kamal said the double taxation issue is "a long story" and Qatar would be happy to send or receive a team to reopen discussions on the issue. He added that Qatar believes such treaties encourage investment. Qatar has such treaties with most countries, though not with the U.S., even though 70 percent of Qatar's foreign direct investment (FDI) is from America, according to Kamal. Deputy Secretary Kimmitt responded by pledging to look into the issue, noting that the USG has limited resources to negotiate treaties and therefore has certain core requirements that would need to be addressed following consultation with U.S. companies to ensure that the proposed treaty would, in fact, address specific problems. He also noted that expanded information exchange is required in all new treaties.

[1](#)2. (SBU) Comment: Qatar has signed a number of bilateral tax treaties in recent months, usually as part of high-level visits by foreign leaders to Doha. Post is unaware of any specific U.S. business concerns on double taxation or other tax issues, although U.S. energy firms have told us of Qatar Petroleum's concern over the U.S. tax treatment of its liquefied natural gas (LNG) exports and the receiving terminal being built in Texas (see reftels). Qatar has recently signaled interest in a number of bilateral economic initiatives, including a Bilateral Investment Treaty (BIT) but forward movement has thus far been inhibited by the disorganization of Qatar's ministries and over-extended key employees. Post will consult with local U.S. business contacts on any specific tax concerns and relay any substantive feedback to State, Commerce, and Treasury.

[1](#)3. (U) Deputy Secretary Kimmitt has cleared this message.

LeBaron